27 July 1959

**STAT** 

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MEMIRANUM FOR: Deputy Assistant Director for Central Reference

THROUGHI

Assistant Director for Operations

SUBJECT:

Modified Proposal of Machine Translation Inc.

 In accord with your request I have reviewed the modified proposal of sorganization. The modified proposal broadens the base of the original proposal to include the completion of the machine translation system plus additional research in several complex fields. It seems obvious that the original proposal was unreasonably padded, but the reduction of cost estimate by 72 percent raises the question of whether the group can in fact effect the "completion of the machine translation system" within the period of one year when superimposed on this objective is an undstermined amount of research in date referencing, information retrieval and abstracting systems.

2. The cost of \$61,000 would seem rememble if there were sufficient evidence that the CMT system would be brought to the point where a practical management determination could be made of the system's utility in serving our objectives.

Chief, Foreign Documents Division, 00

Distribution:

Orig & 1 - Addressee

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Su AAB/O Diaries 12 June, 16 June + 17 June.

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